

## Message Text

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11

ACTION EB-06

INFO OCT-01 EUR-08 NEA-06 ISO-00 SP-02 AID-05 NSC-05

RSC-01 CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01

CIAE-00 COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03

LAB-01 SIL-01 L-01 H-01 PA-01 PRS-01 USIA-06 /076 W

----- 102731

R 240643Z OCT 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 1286

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

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DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EALR, EFIN KU

SUBJECT: MORE ON AMERICAN BANKING PRESENCE IN KUWAIT

REF: KUWAIT 4474

1. IN ADDITION TO DEVELOPMENTS NOTED REFTEL WE HAVE LEARNED FOLLOWING  
REGARDING LOCAL AND REGIONAL BANKING DEVELOPMENTS INVOLVING US  
AND KUWAITI COMPANIES OR INDIVIDUALS:

(A) BANK OF AMERICA APPARENTLY SERIOUSLY PLANNING ESTABLISHING  
CITICORP-TYPE HOLDING COMPANY BASED HERE. IT WOULD OPERATE  
INTERNATIONALLY AND WOULD OFFER VARIETY OF FINANCIAL AND RELATED  
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SERVICES. LOCAL FIGURE CLOSE TO PROJECT CLAIMS GOK WILL ALLOW

ESTABLISHMENT THIS INSTITUTION HERE DESPITE PROHIBITION AGAINST FOREIGN OWNERSHIP OR PARTICIPATION IN LOCAL BANKS.

(B) THE GROUP WHO ESTABLISHED THE BEIRUT-BASED BANK OF CREDIT AND COMMERCE WHICH INCLUDES KUWAITI INTERESTS AND FNCB IS PLANNING TO ESTABLISH A NETWORK OF MORE OR LESS JOINTLY OWNED BANKS THROUGHOUT THE ARAB WORLD.

2. IN ADDITION TO THESE DEVELOPMENTS WE HAVE LEARNED THAT WHITE WELD, CREDIT SUISSE, WHICH IS THRITY PERCENT US OWNED HAS ENTERED INTO AN AGREEMENT TO PROVIDE ADVISORY SERVICES TO THE RELATIVELY RECENTLY FORMED KUWAIT INTERNATIONAL INVESTMENT COMPANY (KIIC), A WHOLLY PRIVATELY OWNED INSTITUTION. ANOTHER NEW INSTITUTION, THE KUWAIT INDUSTRIAL DEVELOPMENT BANK, WHICH IS OWNED BY THE GOK AND MOST LOCAL FINANCIAL INSTITUTIONS, IS EXPECTED TO COMMENCE OPERATIONS NEXT MONTH. THE MANAGING DIRECTOR MOHAMAD AL-SHAREKH HAS BEEN IN THE US FOR THE PAST YEAR OR SO AT THE WORLD BANK, AND WE UNDERSTAND HE HAS RECRUITED SEVERAL AMERICAN INDIVIDUALS TO WORK AT KIDB.

3. COMMENT: AS INDICATED REFTEL US BANKERS AND BANKING INSTITUTIONS ARE SEEPING INTO KUWAIT INCREASINGLY IN A VARIETY OF WAYS.

STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 OCT 1974  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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30 JUN 2005

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**Subject:** MORE ON AMERICAN BANKING PRESENCE IN KUWAIT  
**TAGS:** EALR, EFIN, KU, US  
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